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DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE SECOND PART OF ITS THIRTY-SEVENTH SESSION

held at the Palais des Nations, Geneva
from 11 to 22 March 1991

Rapporteur: Mr. A. N. SYTCHEV
(Byelorussian Soviet Socialist Republic)

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Chapter V

PREPARATIONS FOR THE EIGHTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

(Agenda item 3)

1. The President recalled that, in the light of a communication from the President of the Board to the General Assembly in which it was informed of the outcome of consultations held on the place and dates of the Conference, the Assembly had adopted resolution 45/205 of 21 December 1990 entitled "Eighth session of the United Nations Conference on Trade and Development" (A/RES/45/205).

2. Subsequently, the Secretary-General of UNCTAD had been informed by the Permanent Mission of Uruguay in a communication dated 29 January 1991 that, after weighing up the matter very thoroughly, the Uruguayan authorities had had to acknowledge with great regret that it was not possible to hold UNCTAD VIII in Punta del Este in September/October 1991.

3. In the meantime, consultations had been held on the possibility of an alternative venue for UNCTAD VIII and in a letter dated 13 March 1991 (TD/B/L.912) the Permanent Representative of Colombia had informed the President that the Government of Colombia proposed the town of Cartagena de Indias.

4. The spokesman for Group B (Greece) noted with satisfaction that there was a new proposal for the venue of UNCTAD VIII, which the Group welcomed, and was looking forward to the final arrangements for the holding of UNCTAD VIII in Cartagena de Indias.

5. The implementation of the relevant decisions was urgent. All would benefit from a clear picture of the organizational aspects relating to this Conference so that they could concentrate more freely on the substantive aspects.

6. However, it seemed necessary to establish a contingency procedure for the eventuality that it would not be feasible to hold UNCTAD VIII in Cartagena. In this case, it would seem appropriate for the President to hold immediate consultations with regional groups, with a view to formulating a new and final recommendation for the resumed session of the General Assembly, which should aim to hold the Conference as soon as practicable, and if possible, on the already established dates, i.e. September/October 1991.

7. The last Conference - UNCTAD VII, had been a watershed. It had brought a breakthrough in favour of mutually agreed positions on a number of important issues and thus greatly strengthened the overall dialogue between developed and developing countries. The Final Act of UNCTAD VII had recognized that national and international policies were mutually reinforcing and interdependence was a vehicle for transmitting positive impulses. This implied the acceptance of joint responsibility to take convergent action. The Conference in 1987 had reached a broad understanding on the need for the various country groups to adopt appropriate policies at national and international level.

8. If the same spirit to strive for a constructive consensus was maintained during UNCTAD VIII, and if innovative methods of work were developed, all could look towards results as comprehensive and fruitful as those of the previous UNCTAD Conference.

9. UNCTAD VIII would provide the opportunity for assessing the impact of the major trends and developments in the world economy since UNCTAD VII and set the framework for the future work of the organization.

10. With regard to the statements in the plenary on 15 March, which Group B did not propose to refute at this time, he referred to the statement by his Group on 12 March and to the Group B statement of 17 October 1990. He emphasized that Group B supported the agenda of UNCTAD VIII as adopted during the previous Board session. Further, it believed that deliberations at the Conference could be based on a number of preliminary ideas, such as:

- building further the consensus on the issues of the development agenda, among which Group B considered good management as a focal point;
- recognition of the importance of balancing national and international responsibilities and the respective roles of the private and public sectors;
- proper acknowledgement of the diversity of situations of developing countries and the need to take this diversity into account in proposals for co-operation and the sharing of responsibilities;
- the importance of the concept of sustainable development, and of ensuring that ecological concerns are incorporated into analysis and action wherever necessary;
- recognition that democracy and human rights, in addition to their humanitarian value, were conducive to economic and social development, while at the same time social and economic development lead to improved conditions for democracy and respect for human rights.

11. Group B also believed that the Conference should be approached on a basis of partnership built on common perceptions. It was looking forward to receiving the relevant report by the Secretary-General and considered the Seminars which the secretariat had organized as a useful contribution, in the preparatory process.

12. Group B supported the Secretary-General's suggestion of a special session of the Board, which it assumed would be within the overall budgetary provisions and which could usefully serve as a preparatory committee for UNCTAD VIII. The preparation process following the special session should be brief and intensive to allow a sufficient period of time for individual reflection and preparation of delegations.

13. Group B was ready to co-operate with all parties, both in the preparatory phase for UNCTAD VIII and during the Conference itself, with a view to enhancing the constructive dialogue between developed and developing countries.

14. The spokesman for the Group of 77 (Jordan) said that his Group welcomed and fully supported the Colombian Government's offer to act as host for UNCTAD VIII. Expressing gratitude to the Government of Colombia, he said that he had no doubt that the Conference would be fully successful and would in fact prove to be a turning point in the series of UNCTAD sessions. He looked forward to the Board's taking all necessary decisions regarding the holding of the Conference at the current session.

15. The spokesman for the Group of 77 (India) stated that his Group expected UNCTAD as an institution to emerge from UNCTAD VIII more robust and stronger, with a new determination to tackle the problems of trade and development of developing countries. He emphasized that in the preparatory process, his Group had spared no effort towards building not only a common platform of its own but also a bridge across which developing countries could join up with their development partners in a productive dialogue.

16. He stressed that the problems of trade and development of developing countries had assumed crisis proportions in many areas and that unremitting efforts in these countries to deal with such problems had yielded marginal results in the face of an unfavourable external economic environment and lack of support from development co-operation. The fact that weaker growth impulses should have been transmitted to developing countries at a time of the longest period of uninterrupted growth in the developed countries since World War II, pointed to the inadequate functioning of the international economic system and to the need for restructuring it.

17. Political, economic, technological and organizational changes that had taken place in recent years both at the national and international levels, posed unprecedented challenges and potential for a new beginning in the 1990s. UNCTAD VIII could set in motion in a decisive way a process that would promote and accelerate economic growth, trade and development, especially of developing countries.

18. UNCTAD was no more -- and no less -- than the sum of its parts - the member States - and could be only as strong as their commitment to its goals and as effective as they worked to make it. To that extent, his Group expected member States to follow up, and give new meaning to, the pledge of political support to UNCTAD contained in its 25th anniversary declaration.

19. Member States of UNCTAD were expected to follow up and give new meaning to the pledge of political support to UNCTAD, contained in its 25th anniversary declaration. At the same time, UNCTAD VIII would provide an opportunity to look at how the UNCTAD secretariat could revitalize its role as a generator of new ideas, of innovative approaches to long-standing problems and of dynamic responses to new challenges faced by both developing countries and development co-operation, especially in the area of trade in an increasingly interdependent world economy. UNCTAD had to be honed to become an integral part of what the developing countries envisaged as comprehensive, universal, democratic and development-oriented arrangements for international trade and development in the United Nations.

20. Developing countries were willing to pledge to continue to adopt sound policies and measures, structural reform and good management and efficient and effective mobilization, use and allocation of resources in pursuit of the central objective of the Conference, viz. to promote economic growth, accelerated development and technological capabilities in the developing countries. The policies and measures must, however, accord with the individual national needs and objectives and must be based on domestic social consensus. Pursuit of economic efficiency must be integrated with broader social objectives including high employment generation, elimination of poverty, and equity considerations. Moreover, the efforts of developing countries could not be successful so long as their vulnerability to external economic shock was not reduced and international arrangements for trade, money, finance, commodities, technology and services over which they had little or no control did not become more favourable and supportive of their development and allow greater participation of developing countries in

decision-making in these arrangements. Developed countries by virtue of their weight and impact on the world economy and on developing countries in particular, had to shoulder their responsibilities by adopting policies which took into account the needs and interests of the developing countries and were conducive to making the global economy healthy, stable and equitable. Developed country partners were expected to commit themselves to increasing domestic savings, rationalizing consumption and allocation of resources so as to ensure ecological sustainability, global equity and channelling of their surpluses to developing countries. The management of macro-economic policies of developed countries as well as the correction of their mutual imbalances should be such as to have a positive impact on developing countries. Developing countries expected that appropriate commitments by developed countries' policies in areas of trade, money, finance, commodities, technology and services would be forthcoming.

21. The representative of China expressed gratitude to the Colombian Government for its offer to host UNCTAD VIII and hoped that the Board would finalize recommendations to the General Assembly regarding the date and venue at its current session. He hoped that all preparations would be accelerated so that the Conference could be held on the dates proposed. The Chinese delegation's views on the agenda for UNCTAD VIII were already on record. He supported the suggestion for a special session of the Board to prepare for UNCTAD VIII.

22. The spokesman for Group D (Czech and Slovak Federal Republic) said that his Group welcomed the official invitation from the Government of Colombia for the holding of UNCTAD VIII in Cartagena de Indias. He further congratulated the countries of Latin America on their considerable efforts to bring the question of the venue to a successful conclusion. Group D believed that a decision on the venue would be reached by consensus during the current session and looked forward to the adoption of the relevant decision.

23. The representaive of the Netherlands, speaking on behalf of the European Community and its member States, emphasized the importance that the Community and its member States attached to UNCTAD VIII, which would offer a unique possibility to continue the global policy dialogue on development and international trade and to strive towards commonly shared perceptions against the background of recent changes in the political, economic and intellectual climate.

24. The Community favoured holding UNCTAD VIII in a developing country, which would be a positive sign of commitment to UNCTAD, and therefore welcomed the offer of the Government of Colombia. With a view to minimizing uncertainties for UNCTAD, it seemed necessary to establish a contingency procedure for the eventuality that it would not be feasible to hold UNCTAD VIII in Cartagena.

25. The Community supported the suggestion for a special session of the Board to consider the content and the outcome of UNCTAD VIII. The preparatory process for the Conference should be brief, efficient and constructive.

26. UNCTAD VII had been a successful event and had contributed substantially to widening the consensus on necessary national and international policy actions to contribute to development and the expansion of trade. UNCTAD VII had been the first in a series of United Nations Conferences which had established mutually agreed positions on a number of important issues, in particular the special session of the General Assembly in April 1990 and the Conference on the Least Developed Countries in September 1990. UNCTAD VIII should build on the progress made during these Conferences, and be another phase in this multilateral dialogue. The Conference would address not only long-standing issues but also subjects such as good governance, the effective allocation of resources, the increasing role of the market, the role of the public and private sectors, participatory development and the environment. The Seminars in Caracas and Oslo had already given valuable pointers to UNCTAD's consideration of these crucial matters. UNCTAD VIII should reaffirm the acceptance of joint responsibility to take convergent action and elaborate a strengthened partnership for the purpose of development. Thus UNCTAD VIII would help to shape the future role of UNCTAD itself.

27. The Community shared the generally held view that the Conference should be concluded with a single final outcome adopted by consensus. It was the intention of the Community and its member States to put forward a contribution to the preparatory process and the deliberations of the Board's special session.

28. The representative of Sweden speaking also on behalf of Denmark, Finland and Norway, said that UNCTAD VIII presented one of the best opportunities in a long time for a fruitful international dialogue on North-South economic relations in an atmosphere of considerably eased political tensions. Events in Eastern and Central Europe as well as in a number of developing countries had lead to a convergence of views on the benefits of the market economy.

29. This new situation should be fully exploited to promote a common perception, both of where the real problems were and of means to solve them. The Conference had thus a better opportunity than before to reach a common assessment of the current international economic situation, which was crucial for the identification of the specific problems facing developing countries and on priority action to tackle these problems.

30. The analysis must take due consideration of the situation prevailing at the time of the Conference and pay attention to existing trends such as the globalization of economic activity, as well as both positive and negative implications of regional integration.

31. The window of opportunity for an UNCTAD conference to identify measures and priorities on national, regional and international levels and to seize the initiative in the North-South dialogue, had never been more open.

32. The Nordic countries reaffirmed their commitment to the role of the Conference and stood ready for an open dialogue with the ultimate purpose of arriving at global sustainable development and improved social and economic conditions in developing countries.

33. The representative of the Byelorussian Soviet Socialist Republic said that the Board's discussions demonstrated the relevance of the multilateral approach to global trade and economic questions and of the strengthening of the United Nations system, and UNCTAD had an important role to play in this respect. The world economy was increasingly taking the form of a single organism; any country not sufficiently integrated into it risked losing the advantages of the international division of labour.

34. His country was radically restructuring its economic system, and moving towards a market economy. A State Committee on External Economic Relations had been established, and legislation had been enacted, inter alia, on foreign economic activities. The number of joint ventures was increasing and further legislation was expected in respect of customs regulations, monetary issues and patents.

35. His country had suffered terribly as a result of the Chernobyl disaster, the consequences of which would take decades to overcome. It was grateful for the international support and assistance it had received. The General Assembly, in resolution 45/190, had asked United Nations bodies to consider special assistance for the areas most affected, and his delegation

was sure that UNCTAD would contribute to the implementation of that resolution and to the formulation of programmes for the co-ordination of activities undertaken by United Nations bodies to address and mitigate the consequences of the Chernobyl disaster.

36. UNCTAD had not exhausted its potential, particularly in the light of the consensus achieved at the eighteenth special session of the General Assembly. First, UNCTAD should proceed with conceptual work in the field of trade and development. Secondly, better ways must be found of forecasting negative trends in trade and development to help make economies less vulnerable to external shocks. Thirdly, sound recommendations by UNCTAD could help the countries of Eastern and Central Europe integrate themselves into the world economy. The UNCTAD secretariat should maintain the necessary structures to co-ordinate its work in this field during the transitional period. Fourthly, UNCTAD should consider questions relating to the conversion of military production and its links with development. Other questions which should be considered included the impact of trends towards integration on trade flows.

37. With regard to UNCTAD VIII, his delegation welcomed the Colombian Government's offer to host the Conference and also hoped that decisions would be taken ensuring the further use of UNCTAD as one of the main multilateral bodies in the field of trade and economic development. Decisions taken at UNCTAD VIII must provide for the implementation of the International Development Strategy for the 1990s. Work on draft final documents for UNCTAD VIII should begin, inter alia, at a special session of the Board and in ad hoc working groups.

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Chapter VI

CLOSING STATEMENTS

1. The spokesman for the Group of 77 (Jordan) said that his Group had expected results from the current session that were commensurate with the critical needs of the international community, and particularly with the hopes and aspirations of the developing countries at the present time of change.

2. The Group of 77 was pleased that the Board had agreed a number of important decisions and resolutions at the current session, which had truly become a part of the process towards the common goal of security, justice and economic prosperty. His earlier qualification of the Board as a forum for the expression of hopes and the pursuit of the means for improvement and betterment of life remained justified.

3. Expressing satisfaction at achievements at the current session, in particular resolution 389 (XXXVII) on UNPAAERD, he said his Group was particularly gratified by the support that the other Groups had given the text. It was its sincere wish to see UNPAAERD extended, invigorated and fully implemented.

4. His Group was equally gratified at the adoption of resolution 390 (XXXVII) on the least developed countries, which addressed the needs of a large mass of humanity whose plight and suffering deserved the total support and commitment of the international community. It was also gratifying that no occasion was being spared to remind Governments of the need to implement fully the Programme of Action for the LDCs adopted in Paris. The adoption of these texts demonstrated that a spirit of understanding and political responsibility prevailed among delegations.

5. On the important item on protectionism and structural adjustment, it was deeply regrettable that the Board had not reached an acceptable outcome. The attempts by the Group of 77 to reach a consensus, and the maximum flexibility and willingness to co-operate which it had shown, had not been met in equal measure. This was most unfortunate at a time when the international community was in need of greater cohesion and mutual understanding.

6. The decision to hold UNCTAD VIII in a venue in the developing countries, Cartagena de Indias, was momentous in the history of UNCTAD and he extended warm thanks to the people and Government of Colombia for their generous offer.

7. His Group was confident that Governments had embarked on an irreversible process towards UNCTAD VIII, which would be the opportunity to advance understanding, action and co-operation in international economic relations.

8. The spokesman for Group B (Greece) stated that, notwithstanding some difficulties on issues of substance in one of the Committees, Group B looked at the future of the dialogue between developed and developing countries with confidence and considered that there was a need to continue to work together towards converging views.

9. Group B welcomed with deep appreciation the offer of Colombia to host UNCTAD VIII and was confident that the secretariat would finalise promptly all remaining necessary details and that the Conference would take place in accordance with the decision adopted unanimously as regards venue and dates. Preparations for UNCTAD VIII were now adjusted according to the new schedule and he reminded the secretariat of the need to prepare documentation well in advance of the first part of the 17th special session in order to have a meaningful discussion.

10. Given the spirit of partnership which had prevailed throughout the session, Group B regretted that its essential concerns regarding protectionism and structural adjustment could not be taken on board by the Group of 77. His Group maintained the strong conviction that the contribution of national policies and good management were of vital importance, both in terms of economic development and in light of the agenda of UNCTAD VIII. Appropriate domestic policies must go hand in hand with a strengthened multilateral trading system, which was what all were striving for in the Uruguay Round. Trade liberalisation by developing countries would foster increased trade linkages among these countries. Group B believed that better balance in the analysis by UNCTAD needed to be encouraged so that trade measures of both developed and developing countries were examined with reference to their impact on developing country trade, and so that trade potential among developing countries was made more visible, especially in the context and as a result of trade liberalisation. Recognition of these fundamental principles served the interests of the entire world trading community, in particular those of the developing countries.

11. The principle of partnership was a major focus of UNPAAERD and had been duly reflected in resolution 389 (XXXVII). This text underlined the responsibility of African countries as regards their own development and their commitment to continue reform efforts and promote development so that all groups participated in it. Environmental problems were also highlighted in the resolution, while continued commitment to the fulfilment of the objectives of UNPAAERD had also been decided.

12. Group B's view was that any assessment of the implementation of the Paris Programme of Action at the current stage would be premature. However, in the spirit of solidarity and partnership with the LDCs, Group B was positive and had accepted a text which had accommodated the interests of all parties concerned. It was Group B's understanding that the last operative paragraph of resolution 390 (XXXVII) would not in any way affect the agreed draft agenda on UNCTAD VIII. It was also understood that any relevant activity on this item during the Conference would take place within overall existing resources.

13. The spokesman for Group B noted that an effort had to be made to ensure that the schedule of UNCTAD meetings would comply in future with decision 352 (XXXIV).

14. He concluded that major challenges had to be faced by all countries over the years ahead in order to adjust and benefit from a rapidly evolving world. In this context, UNCTAD could play a major role as a forum for exchange of views between developed and developing countries on appropriate national and international policies, taking into account the new global realities, including the need to respect human rights and social justice. Group B believed that the Conference in Cartagena de Indias would be a major step in this direction, underlining joint responsibility and strengthened partnership. Group B approached the dialogue between developed and developing countries with a strong willingness to work constructively with all parties towards a convergence of views for the benefit of all.

15. The spokesman for Group D (Czech and Slovak Federal Republic) reiterated his Group's appreciation of the Government of Colombia's offer to host UNCTAD VIII and expressed thanks to the regional and group co-ordinators and China for their co-operative attitude during the session.

16. The representative of China observed that there had been a useful debate on all major issues at the current session and in most cases positive results had been achieved. The Chinese delegation regretted, however, that it had not proved possible to achieve the anticipated results on the question of protectionism and structural adjustment owing to divergences of view on certain important aspects of it. His delegation believed that the Board should pursue the issue of protectionism and structural adjustment in accordance with its work programme, as set forth in the relevant Board resolutions and the provisions concerned in the Final Act of UNCTAD VII, otherwise the sense of relevance of considering this issue would be lost. It was to be hoped that the divergences during the session would not adversely affect future discussion of the issue, in particular at UNCTAD VIII. He hoped that the technical and substantive preparation for the Conference would be accelerated to ensure that its convening was smooth.

17. As to the resolutions adopted on UNPAAERD and the LDCs, the Chinese delegation stressed that these should be translated into concrete action to ensure the imporvement of the trade environment of the African developing countries and the growth and development of the LDCs.

18. In his closing address the President observed that the session had been very important, given the scope of the issues dealt with and the decisive progress in preparations for UNCTAD VIII.

19. Delegations were now embarking on some eleven months of profound reflection regarding the future. The extremely varied issues for consideration ranged from UNCTAD's future role to the need for an effective dialogue on co-operation for development, which was to cover resources for development, technology, trade, commodities, structural adjustment, protectionism and external debt as well as the environment, sustainable development, national policies, the international situation and human rights.

20. On some issues delegations were closer together, on others efforts must be redoubled to find a common viewpoint based on joint responsibility for the future. He was even more convinced that, to reconstruct peace, the pressing problems in international economic relations must be resolved. UNCTAD VIII was a good opportunity to deepen the dialogue which other recent international gatherings had elaborated and he expressed gratitude to the Government and people of Colombia. As a cultural confluence Cartagena de Indias would be an auspicious setting in which to achieve positive results.